



# PROPOSED RULE MAKING

**CR-102 (June 2012)****(Implements RCW 34.05.320)**Do **NOT** use for expedited rule making**Agency:** Office of the Insurance Commissioner

- ☒ **Preproposal Statement of Inquiry was filed as WSR 15-12-107 ; or**  
☐ **Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or**  
☐ **Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).**

- ☐ **Original Notice**  
☐ **Supplemental Notice to WSR**  
☐ **Continuance of WSR \_\_\_\_\_**

**Title of rule and other identifying information:** Adjusting rate and form filing procedures for life & disability insurers to comply with SSB 5023 (Chapter 19, Laws of 2015—effective 7/24/15)

Insurance Commissioner Matter No. R 2015-04

**Hearing location(s):**

Insurance Building – Capitol Campus  
302 Sid Snyder Avenue SW, Suite 200  
Olympia WA 98504

**Date:** Tuesday, November 24, 2015 **Time:** 11:00 a.m.

Submit written comments to:

Name: Bianca Stoner

Address: PO Box 40260

Olympia, WA 98504-0260

e-mail [rulescoordinator@oic.wa.gov](mailto:rulescoordinator@oic.wa.gov)Fax: 360-586-3109 by (date) November 24, 2015**Assistance for persons with disabilities:**Contact: Lorie Villaflores by November 23, 2015TTY (360) 586-0241 or (360) 725-7087**Date of intended adoption:** November 25, 2015  
(Note: This is **NOT** the **effective** date)**Purpose of the proposal and its anticipated effects, including any changes in existing rules:**

This rule deletes two sections from WAC 284-43 Subchapter I (WAC 284-43-920 and -950) and moves them to a new subchapter in WAC 284-43 called Subchapter J, while modifying the language from -920 (now contained in proposed WAC 284-43-6560) to incorporate the requirements of SSB 5023. The new subchapter contains the filing requirements for large group health plans, stand-alone dental plans and stand-alone vision plans. In particular, proposed WAC 284-43-6560 contains the language from SSB 5023 that says when group health plans other than small group plans and stand-alone dental and stand-alone vision plans must file contract forms or rates.

**Reasons supporting proposal:**

During the 2015 legislative session, the state legislature passed SSB 5023, which became effective on 7/24/15. The intent of the new law is to create regulatory uniformity for the filing requirements for large group health benefit plans, including large group disability plans, as well as stand-alone dental plans and stand-alone vision plans. To implement this law, the OIC is adding a new subchapter to Section 284-43 of the Washington Administrative Code.

**Statutory authority for adoption:**

RCW 48.02.060, 48.44.050, 48.46.200, 48.44.020 (2)(d),  
48.44.022, 48.44.023, 48.46.060 (3)(d) and (5), 48.46.064 and  
48.46.066.

**Statute being implemented:** SSB 5023 (Chapter 19, Laws of 2015—effective 7/24/15)**Is rule necessary because of a:**

Federal Law? ☐ Yes ☒ No  
Federal Court Decision? ☐ Yes ☒ No  
State Court Decision? ☐ Yes ☒ No  
If yes, CITATION:

**DATE**

October 20, 2015

**NAME** (type or print)

Mike Kreidler

**SIGNATURE****TITLE**

Insurance Commissioner

**CODE REVISER USE ONLY**

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE:** October 20, 2015**TIME:** 2:26 PM**WSR 15-21-078**

(COMPLETE REVERSE SIDE)

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

Not applicable

**Name of proponent:** (person or organization) Mike Kriedler, Insurance Commissioner

- ☐ Private  
☐ Public  
☒ Governmental

**Name of agency personnel responsible for:**

Name	Office Location	Phone
Drafting..... Bianca Stoner	PO Box 40260, Olympia, WA 98504-0260	(360) 725-7041
Implementation.... Molly Nollette	PO Box 40255, Olympia, WA 98504-0255	(360) 725-7117
Enforcement..... AnnaLisa Gellerman	PO Box 40255, Olympia, WA 98504-0255	(360) 725-7050

**Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?**

☐ Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone (     ) \_\_\_\_\_

fax     (     ) \_\_\_\_\_

e-mail \_\_\_\_\_

☒ No. Explain why no statement was prepared:

The entities that must comply with the proposed rule are not small businesses, under RCW Chapter 19.85.

**Is a cost-benefit analysis required under RCW 34.05.328?**

☒ Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name: Bianca Stoner

Address: PO Box 40260

Olympia WA 98504-0260

fax     (360) 586-3109

e-mail [rulescoordinator@oic.wa.gov](mailto:rulescoordinator@oic.wa.gov)

☐ No: Please explain:

**SUBCHAPTER J**  
**HEALTH PLANS, STAND-ALONE DENTAL PLANS AND STAND-ALONE VISION PLANS—**  
**FILING REQUIREMENTS**

NEW SECTION

**WAC 284-43-6500 Applicability and scope.** This subchapter is adopted under the general authority of RCW 48.02.060. This subchapter applies to health benefit plans as defined in RCW 48.43.005 and contracts for limited health care services as defined in RCW 48.44.035. This subchapter also applies to plans issued or renewed on or after January 1, 2016, offered by carriers under the requirements of chapter 19, Laws of 2015.

NEW SECTION

**WAC 284-43-6520 Definitions.** For the purpose of this subchapter:

(1) "Contract" means an agreement to provide health care services or pay health care costs for or on behalf of a "subscriber" or group of "subscribers" and such eligible dependents as may be included therein.

(2) "Contract form" means the prototype of a "contract" and any associated riders and endorsements filed with the commissioner by a carrier.

(3) "Covered person" or "enrollee" has the same meaning as that contained in RCW 48.43.005.

(4) "Dependent" has the same meaning as that contained in RCW 48.43.005.

(5) "Health carrier" or "carrier" means an insurer that issues disability insurance regulated under chapter 48.20 or 48.21 RCW, a health care service contractor as defined in RCW 48.44.010, or a health maintenance organization as defined in RCW 48.46.020, and includes "issuers" as that term is used in the federal Patient Protection and Affordable Care Act (Public Law 111-148).

(6) "Large group contracts" or "large group plans" include group health benefit plans and stand-alone dental plans or stand-alone vision plans that are not small group plans and are not individual plans.

(7) "Limited health care service contractor" means a health care service contractor that offers one and only one limited health care service.

(8) "Negotiated contract" form means a health benefit plan or stand-alone dental plan or stand-alone vision plan where benefits and other terms and conditions, including the applicable rate schedules, are negotiated and agreed to by the carrier or limited health care

service contractor and the policy or contract holder. The only plans that carriers can negotiate are large group plans. The negotiated policy form and associated rate schedule must otherwise comply with state and federal laws governing the content and schedule of rates for the negotiated plans.

(9) "Premium" means all sums charged, received, or deposited as consideration for a contract or the continuance of a contract. Any assessment, or any "membership," "policy," "survey," "inspection," "service," or similar fee or charge made by the carrier in consideration for a contract is part of the premium. Premium does not include amounts paid as enrollee point-of-service cost-sharing.

(10) "Rate" or "rates" means all classification manuals, rate manuals, rating schedules, class rates, and rating rules.

(11) "Rate schedule" means the schedule of rates that includes the description of methodology used to obtain the premium rate for a specific individual or group, if given the necessary information such as the demographic data and plan design of the individual or group. For a single negotiated contract form, the rate schedule also includes the premium for the employer.

(12) "Small employer" means an employer that fits within the definition of small employer as that term is used in the federal Patient Protection and Affordable Care Act (Public Law 111-148).

(13) "Small group plans" means the class of "group contracts" issued to "small employers." For the purposes of this section, "small group contracts" and "small group plans" also apply to stand-alone dental plans or stand-alone vision plans.

(14) "Stand-alone dental plan" means coverage for a set of benefits limited to oral care including, but not necessarily limited to, pediatric oral care.

(15) "Stand-alone vision plan" means coverage for a set of benefits limited to vision care including, but not necessarily limited to, materials.

(16) "Subscriber" means a person on whose behalf a "contract" or "certificate" is issued.

## NEW SECTION

### **WAC 284-43-6540 Summary for group contract filings other than small group contract filings.**

#### **Groups Other Than Small Groups Filing Summary**

Carrier Name	
Address	
Contract Holder/Pool Category and Name (Check One Box)	<input type="checkbox"/> Single Employer Group:
	Employer Name:
	<input type="checkbox"/> Multiemployer other than Association/Trust Groups
	Group Pool Name:
	<input type="checkbox"/> Association/Trust Groups
	Association/Trust Group Name:

Contract Form Number	_____
Rate Form Number (if different from Contract Form Number)	_____
Product Name	_____

If additional space is required to list the contract/rate form number and product name, attach a separate sheet.

Rate Renewal Period:	From: _____	To: _____
Date Submitted:	_____	
Type of Filing (Check One Box)	<input type="checkbox"/> New Group Contract	<input type="checkbox"/> Revision of Existing Group Contract

**Proposed Rate Schedules:** Attach a separate sheet to list all proposed tier rates.

#### Rate Summary

Current Rate (Composite per employee or per member)	\$_____ per member per month
Percentage Rate Change	_____ %
New Rate	\$_____ per member per month
Average Number of Enrollees Each Month During the Experience Period (If the average number of enrollees is equal to or less than fifty, explain why this is not a small group, as defined in RCW 48.43.005.)	_____
Anticipated Loss Ratio	_____ %
Portion of carrier's total enrollment affected	_____ %
Portion of carrier's total premium revenue affected	_____ %

#### Summary of Contract Experience

	Experience Period	First Prior Period	Second Prior Period
	From To	From To	From To
Member Months			
Billed Premium			
Incurred Claims			
Expenses			
Gain/Loss			
Experience Refund/Credit or Recoupment			
Earned Premium (Billed Premium +/- Refund/Credit or Recoupment)			
Loss Ratio Percentage			

Attach comments or additional information.	
Preparer's Information	
Name:	_____
Title:	_____
Telephone Number:	_____

## NEW SECTION

**WAC 284-43-6560 When a carrier is required to file.** (1) All rates and forms of group health benefit plans other than small group plans and all stand-alone dental and stand-alone vision plans offered by a health carrier or limited health care service contractor as defined in RCW 48.44.035 and modification of a contract form or rate must be filed before the contract form is offered for sale to the public and before the rate schedule is used.

(2) Filings of negotiated contract forms for groups other than small groups, and applicable rate schedules, that are placed into effect at time of negotiation or that have a retroactive effective date are not required to be filed in accordance with subsection (1) of this section, but must be filed within thirty working days after the earlier of:

(a) The date group contract negotiations are completed; or

(b) The date renewal premiums are implemented.

(3) When a carrier submits a late filing, the carrier must include an explanation on the filing document describing why the carrier submitted the filing late.

(4) The negotiated policy form and associated rate schedule must otherwise comply with state and federal laws governing the content and schedule of rates for the negotiated plans.

(5) Stand-alone dental plans and stand-alone vision plans offered by a disability insurer to out-of-state groups specified by RCW 48.21.010(2) may be negotiated, but may not be offered in this state before the commissioner finds that the stand-alone dental plan or stand-alone vision plan otherwise meets the standards set forth in RCW 48.21.010 (2)(a) and (b).

## REPEALER

The following sections of the Washington Administrative Code are repealed:

WAC 284-43-920 When a carrier is required to file.

WAC 284-43-950 Summary for group contract filings  
other than small group contract  
filings.